

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

SILVER SPRING, MARYLAND

ORDER NO. 12,055

IN THE MATTER OF:

Served June 18, 2009

Application of CHALLENGER)	Case No. AP-2008-129
TRANSPORTATION, INC., WMATC)	
No. 568, for Authorization to)	
Self-Insure)	

This matter is before the Commission on applicant's request filed May 21, 2009, to activate the self-insurance authorization issued in Order No. 11,550, served September 4, 2008.

Commission Regulation No. 58 requires applicant to insure the revenue vehicles operated under Certificate No. 568 for a minimum of \$1.5 million in combined-single-limit liability coverage. Applicant currently has in place a \$2 million motor vehicle liability policy that expires June 27, 2009.

Pursuant to Regulation No. 58-17, applicant filed an application on July 24, 2008, to self insure against the first \$250,000 of bodily-injury and property-damage (BI&PD) claims for each accident arising out of applicant's operations under Certificate No. 568. The application was approved in Order No. 11,550, on the condition that applicant maintain an irrevocable \$250,000 letter of credit or trust fund for BI&PD liability and file a copy of the letter of credit or trust fund agreement with the Commission on or before November 3, 2008.

On September 30, 2008, applicant moved to extend the November 3 deadline to May 1, 2009. That request was granted in Order No. 11,643, served October 24, 2008, on the condition that applicant maintain compliance with Regulation No. 58 and file quarterly and annual financial statements, income tax returns, and

quarterly claims reports detailing the number, the aggregate dollar amount, and the nature of its claims experience and quarterly reports detailing pending court cases or other actions which relate to or arise from its claims experience.

It appears applicant has filed the requisite financial statements but not the requisite claims reports and pending litigation reports. Moreover, applicant has not filed a copy of the requisite letter of credit/trust fund agreement.¹

¹ A letter of credit filed with the July 24, 2008, application falls short in that it is limited to \$100,000 and names the Maryland Motor Vehicle

Under the circumstances, we are unable to honor applicant's request at this time.

THEREFORE, IT IS ORDERED: That the request of Challenger Transportation, Inc., to activate the self-insurance authorization issued in Order No. 11,550, on September 4, 2008, is denied.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS CHRISTIE AND BRENNER:



William S. Morrow, Jr.
Executive Director

Administration as the beneficiary instead of the claimants themselves. *C.f.*, Order No. 11,550 ¶ 1B,D (trust fund beneficiaries must be claimants only, trust fund payments must be made directly to claimants); *In re Greyhound Lines, Inc.*, No. AP-89-26, Order No. 4652 (Aug. 28, 1995) (self-insurance authorization revoked where self insurance trust fund covered claims under Interstate Commerce Commission authority but not WMATC authority).